

REPORT

REALIZATION, INCORPORATED

JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the liaison through office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-21-09

REALIZATION, INCORPORATED

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ACCOUNTANT'S COMPILATION REPORT

December 28, 2009

Board of Directors

Realization, Incorporated

1230 Franklin Avenue

New Orleans, LA 70117

We have compiled the accompanying statement of financial position of Realization, Incorporated as of June 30, 2009 and the related statements of activities and cash flows for the year then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 28, 2009, on the results of our agreed-upon procedures.

Hienz & Macaluso, L.L.C.

HIENZ & MACALUSO, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Metairie, Louisiana

REALIZATION, INCORPORATED
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2000
UNAUDITED

LIABILITIES AND NET ASSETS:

CURRENT LIABILITIES:

Accounts payable	\$	1,500.00
Payroll taxes		2,186.23
Due to the state of Louisiana		232.00
Accrued salaries		<u>1,218.67</u>
Total current liabilities		<u>5,053.50</u>

TOTAL LIABILITIES 5,053.50

NET ASSETS:

Temporarily restricted net assets	2,649.00
Unrestricted net assets	<u>66,177.73</u>

TOTAL NET ASSETS 68,826.73

TOTAL LIABILITIES AND
NET ASSETS \$ 73,880.23

SEE ACCOUNTANT'S COMPILATION REPORT
AND ACCOMPANYING NOTES

REALIZATION, INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2000
UNAUDITED

UNRESTRICTED NET ASSETS:

NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of program requirements	\$	138,101.48
Total net assets released from restrictions		<u>138,101.48</u>

EXPENSES:

Program services	116,881.16
Supporting services:	
Administrative and general	<u>29,229.30</u>
Total expenses unrestricted net assets	<u>146,101.46</u>

Decrease in unrestricted net assets	<u>(8,999.00)</u>
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TEMPORARILY RESTRICTED NET ASSETS:

New Orleans Council on Aging grant	55,544.00
Governor's Office of Urban Affairs grant	34,596.00
City of New Orleans COBO	21,425.32
Donated services	25,824.20
Interest income	11.04
Net assets released from restrictions	<u>(138,101.48)</u>

Decrease in temporarily restricted net assets	<u>(791.00)</u>
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TOTAL DECREASE IN NET ASSETS	<u>(9,791.00)</u>
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Net assets at the beginning of the year	<u>77,527.73</u>
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NET ASSETS AT THE END OF THE YEAR	\$ <u>67,736.73</u>
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SEE ACCOUNTANT'S COMPILATION REPORT
AND ACCOMPANYING NOTES

REALIZATION, INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000
UNAUDITED

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$	(8,701.00)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation		8,000.00
Decrease in prepaid expenses		701.00
Decrease in current liabilities		(1,253.02)
Net cash used by operating activities		(1,253.02)
NET DECREASE IN CASH		(1,253.02)
Cash at the beginning of the year		9,765.55
CASH AT THE END OF YEAR	\$	8,511.00

SEE ACCOUNTANT'S COMPILATION REPORT
AND ACCOMPANYING NOTES

REALIZATION, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008
UNAUDITED

ORGANIZATION:

Realization, Incorporated (the Organization) was formed on January 10, 1973 to promote and effectuate the planning and delivery of social service programs including and incidental to services for the aged, housing, day care, adult education, pre-retirement assistance and research, employment and education in the City of New Orleans. The Organization's main sources of revenue are grants received from the State of Louisiana, Governor's Office of Urban Affairs and Development, the New Orleans Council on Aging and the City of New Orleans Community Development Block Grant (CDBG).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting and Presentation:

The financial statements are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements for Not-for-Profit Organizations*.

The statement of activities presents expenses of the organization functionally between program services and administrative and general services. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Statement of Cash Flows:

As required by generally accepted accounting principles, the financial statements include a statement of cash flows showing cash provided and used by operating, investing, and financing activities.

For purposes of implementing the cash flow statement, the Organization has defined cash equivalents as those amounts included in the statement of financial position caption "Cash".

Income Taxes:

The Organization has been determined to be tax exempt under Section 509(c)(3) of the Internal Revenue Code.

REALIZATION, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
UNAUDITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash - Restricted:

The use of cash received from grantor's is restricted to the payment of expenses for activities of the Organization's grant apartments.

Property and Equipment:

Property and Equipment is stated at cost and is depreciated over the estimated useful life of five years for furniture, equipment and vans, ten years for renovations and thirty years for the building, using the straight line method of depreciation. For the year ended June 30, 2000, depreciation expense was \$8,000.

Donated services:

The Organization receives donated services from the community. These services are recorded based on total hours donated at the minimum wage for the United States. Board members, who donate their services are recorded at a slightly higher rate. These services are recorded as donated services revenue and donated services expense in the amount of \$ 21,824.20.

2. MANAGEMENT'S ESTIMATES AND ASSUMPTIONS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

3. GRANT REVENUE:

The Organization receives grant revenue from three sources to perform services for the elderly. The State of Louisiana, Governor's Office of Urban Affairs and Development grant is a one year grant which expired June 30, 2000. The Organization recorded revenue in the amount of \$ 34,596 for 2000 under this grant. Any amounts not expended are required to be returned to the State of Louisiana, Governor's Office of Urban Affairs and Development. As of June 30, 2000, \$ 232 was due to the State of Louisiana, Governor's Office of Urban Affairs and Development. This grant has been awarded to the Organization for an additional year, expiring June 30, 2001.

The Organization also has a grant with the New Orleans Council on Aging in the amount of \$ 55,344, which also expired on June 30, 2000. This grant was also awarded to the Organization for an

REALIZATION, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000
UNAUDITED

additional year, expiring on June 30, 2001.

The third grant is a City of New Orleans Community Development Block Grant. The Organization recorded \$21,425.22 in revenue from this grant during 2000. This grant expires on December 31, 2000.

Total grant revenue for the year ended June 30, 2000 was \$111,565.22.

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of remaining cash from grants and prepaid expenses less current liabilities. Temporarily restricted net assets were \$2,648.80 as of June 30, 2000.

5. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets are released from temporary donor restrictions by incurring expenses satisfying the restricted purpose.

6. CONCENTRATION OF REVENUE:

The Organization receives a substantial amount of its revenue from city and state agencies in the form of grants. A significant reduction in the level of this revenue, if this were to occur, may have an effect on the Organization's programs and activities.

REALIZATION, INCORPORATED
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2000
UNAUDITED

GRANTOR	PROGRAM DESCRIPTION	CONTRACT PERIOD	REVENUE	EXPENSE
New Orleans Council on Aging	* To provide various services for the elderly	07/01/99 - 06/30/00	\$ 55,544.00	\$ 55,544.00
Governor's Office of Urban Affairs and Development	† To provide various services for the elderly	07/01/99 - 06/30/00	\$ 34,506.00	\$ 35,207.00
City of New Orleans Community Development Block Grant	** To provide various services for the elderly	01/01/99 - 12/31/00	\$ 25,000.00	\$ 12,262.05
City of New Orleans Community Development Block Grant	** To provide various services for the elderly	01/01/99 - 12/31/00	\$ 25,000.00	\$ 9,234.21

*Passed through by the Governor's Office of Elderly Affairs - State of LA and the Federal Government.

†Passed through by the Department of Housing & Urban Development.

‡ Expenses exceeded revenue due to timing differences for prepaid insurance.

SEE ACCOUNTANT'S COMPILATION REPORT
AND ACCOMPANYING NOTES

REALIZATION, INCORPORATED
SUPPLEMENTARY INFORMATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000
UNAUDITED

	PROGRAM	GENERAL AND ADMINISTRATIVE	TOTAL, ALL FUNCTIONAL CATEGORIES
EXPENSES:			
Accounting	\$ 730.00	\$ 180.00	\$ 900.00
Audit	1,200.00	300.00	1,500.00
Bank charges	83.20	20.80	104.00
Contract labor - drivers	10,540.34	2,580.00	12,800.30
Contract labor - custodian	2,991.60	747.58	3,739.00
Contract labor - social workers	708.64	177.16	885.00
Contract labor - secretary	685.64	146.36	731.20
Contract labor - bookkeeper	1,200.00	300.00	1,500.00
Depreciation	6,400.00	1,600.00	8,000.00
Dues & subscriptions	43.20	10.80	54.00
Insurance - building	8,902.40	2,125.60	10,828.00
Insurance - general	1,804.46	401.12	2,065.60
Miscellaneous	1,937.06	276.78	1,383.81
Payroll taxes	2,414.40	603.60	3,018.00
Postage	99.64	24.91	124.55
Program services	2,434.82	606.23	3,081.15
Program - donated services	20,659.36	5,184.84	25,824.20
Repairs & maintenance	6,590.80	2,047.71	10,238.54
Salaries	31,737.42	7,034.38	39,871.78
Supplies	4,371.78	1,082.95	5,454.73
Tax and licenses	96.42	4.11	20.53
Telephone	2,306.39	576.57	2,882.66
Utilities	3,451.61	862.69	4,314.51
Workman's compensation	1,792.02	448.01	2,240.03
Van gasoline and oil	2,648.68	511.64	2,558.22
Van repairs & maintenance	1,853.72	495.60	2,470.68
TOTAL FUNCTIONAL EXPENSES	\$ 116,881.16	\$ 29,220.20	\$ 146,101.40

SEE ACCOUNTANT'S COMPILATION REPORT
AND ACCOMPANYING NOTES

REALIZATION, INCORPORATED
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUE AND EXPENSE BY GRANT
FOR THE YEAR ENDED JUNE 30, 2000
UNAUDITED

	COUNCIL ON AGING	GOVERNOR'S OFFICE OF URBAN AFFAIRS	CITY OF NEW ORLEANS COMO	TOTAL
REVENUES:				
Council on aging grant	\$ 55,544.00	\$	\$	55,544.00
Governor's Office of Urban Affairs grant		34,098.00		34,098.00
City of New Orleans (COMO)			21,428.22	21,428.22
Interest income			11.04	11.04
Donated services income	25,804.20			25,804.20
TOTAL REVENUES	\$1,358.20	34,098.00	21,439.26	107,406.46
EXPENSES:				
Accounting	800.00			800.00
Audit		1,500.00		1,500.00
Bank charges		5.00	99.00	104.00
Contract labor - drivers	4,661.20	7,549.00		12,210.20
Contract labor - custodian	1,738.80			1,738.80
Contract labor - social workers	885.80			885.80
Contract labor - secretary	731.30			731.30
Contract labor - bookkeeper	1,500.00			1,500.00
Depreciation	8,000.00			8,000.00
Dues & subscriptions	54.00			54.00
Insurance - building		10,028.00		10,028.00
Insurance - general	2,905.80			2,905.80
Miscellaneous		802.00	761.81	1,563.81
Payroll taxes	2,548.37		868.83	3,417.20
Postage	61.80	14.80	48.75	125.35
Program services - field trips			3,031.16	3,031.16
Program - donated services	25,804.20			25,804.20
Repairs & maintenance	1,138.87	8,903.00	178.57	10,220.44
Salaries	28,871.78		12,006.00	40,877.78
Supplies	1,864.38	1,147.80	2,953.35	5,965.53
Tax and license	25.83			25.83
Telephone	1,028.80	678.00	375.00	2,081.80
Utilities	2,813.51	1,001.00		4,014.51
Workman's compensation	489.03	1,780.00		2,269.03
Van gasoline and oil	2,528.22			2,528.22
Van repairs & maintenance	2,479.85			2,479.85
TOTAL FUNCTIONAL EXPENSES	\$8,308.20	35,287.80	21,439.26	148,101.46
EXCESS REVENUE/(EXPENSE)	\$ (8,009.00)	(1,189.80)	9.00	\$ (8,701.90)

SEE ACCOUNTANTS' COMPILATION REPORT
AND ACCOMPANYING NOTES



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SOCIETY OF CERTIFIED CHARTERED PUBLIC ACCOUNTANTS

Independent Accountant's Report on Applying Agreed-Upon Procedures

December 28, 2008

To the Board of Directors
Realization, Incorporated
1210 Franklin Avenue
New Orleans, LA 70117

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Realization, Incorporated, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agency solely to assist the users in evaluating management's assertions about Realization, Incorporated's compliance with certain laws and regulations during the year ended June 30, 2009 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, State and Local award expenditures for the fiscal year, by grant and grant year.

Realization, Incorporated's Federal, State and Local award expenditures for all programs for the fiscal year follow:

Federal Awards:

Grant Name - City of New Orleans Community Development Block Grant
(Passed through from the Department of Housing & Urban Development)

Grant Year - 12/31/99

CFDA Number - 14.225

Amount - \$ 12,302.85

Grant Name - City of New Orleans Community Development Block Grant
(Passed through from the Department of Housing & Urban Development)

Grant Year - 12/31/99

CFDA Number - 14.225

Amount - \$ 9,234.21

Grant Name - New Orleans Council on Aging (Passed through by the
Governor's Office of Elderly Affairs - State of Louisiana and the Federal
Government)

Grant Year - 06/30/00

CFDA Number - 93.844

Amount - \$ 33,344.00

Total federal awards: \$ 71,795.26

State awards:

Grant Name - Governor's Office of Urban Affairs and Development

Grant Year - 06/30/00

CFDA Number - N/A

Amount - \$ 35,297.00

Total state awards: \$ 35,297.00

2. For each Federal, State, and Local award, we randomly selected 6 disbursements from each award administered during the period under examination.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

Realization, Incorporated is only required to post a notice of each meeting and the accompanying agenda at their office. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the minutes and agenda.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that such applicable Federal, State, or Local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Realization, Incorporated provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no previous agreed-upon procedures engagements for the any prior years and therefore no prior comments and recommendations.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Realization, Incorporated, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:512, this report is distributed by the Legislative Auditor as a public document.

Hernz & Macaluso, L.L.C.

HERNZ & MACALUSO, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
Metairie, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

December 15, 2000 (Date Transmitted)

Mayor & Aldermen, Parish
Shreveport, Louisiana
PO BOX 16 LA 70502

(Auditors)

In connection with your completion of our financial statements as of June 30, 2000 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion of representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by copies of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Mildred L. George Secretary 12/27/2000 Date
Paul J. Smith Treasurer 12/26/2000 Date
Henry H. Williams President 12/26/2000 Date

Realization, Inc./Incumbent